



STEVE COOLEY
LOS ANGELES COUNTY DISTRICT ATTORNEY

18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

February 08, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

30 February 8, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT GRANT FUNDS FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE (CDI) FOR THE WORKERS' COMPENSATION INSURANCE FRAUD (WCIF), DISABILITY AND HEALTHCARE INSURANCE FRAUD (DHIF), AUTOMOBILE INSURANCE FRAUD (AIF) AND ORGANIZED AUTOMOBILE FRAUD ACTIVITY INTERDICTION "URBAN GRANT" PROGRAMS AND APPROVE THE BUDGET ADJUSTMENT FOR FISCAL YEAR 2010-11 (ALL DISTRICTS) (4-VOTES)

SUBJECT

The State of California, Department of Insurance (CDI) has awarded the District Attorney's Office (DA) with \$5,081,000 for the Workers' Compensation Insurance Fraud (WCIF) Program, \$626,000 for the Disability and Healthcare Insurance Fraud (DHIF) Program, \$5,116,000 for the Automobile Insurance Fraud (AIF) Program, and \$2,889,000 for the Urban Grant Program to support enhanced investigation and prosecution of fraud activity.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the District Attorney to accept grant funds from the California Department of Insurance, for the period of July 1, 2010 to June 30, 2011, for Workers' Compensation Insurance Fraud (WCIF) in the amount of \$5,081,000; Disability and Healthcare Insurance Fraud (DHIF) in the amount of \$626,000; Automobile Insurance Fraud (AIF) in the amount of \$5,116,000; and Urban Grant in the amount of \$2,889,000. There is no required County match for these programs.
2. Authorize the District Attorney to execute the Grant Award Agreements (GAA) on behalf of the County of Los Angeles.

3. Authorize the District Attorney or his designee, on behalf of the County of Los Angeles, to serve as Project Director and to sign and approve any revisions to the GAAs that do not increase the Net County Cost of the Agreements.

4. Approve the attached Budget Adjustment in the amount of \$963,000 to supplement the salaries and employee benefits appropriation for FY 2010-11.

- DHIF Program - The appropriation adjustment of \$14,000 will be used for Salaries and Employee Benefits. This amount represents the difference between the grant award of \$626,000 and the \$612,000 that was included in the District Attorney's FY 2010-11 Final Adopted Budget.
- AIF Program - The appropriation adjustment of \$446,000 will be used for Salaries and Employee Benefits. This amount represents the difference between the grant award of \$5,116,000 and the \$4,670,000 that was included in the District Attorney's FY 2010-11 Final Adopted Budget.
- Urban Grant Program - The appropriation adjustment of \$503,000 will be used for Salaries and Employee Benefits. This amount represents the difference between the grant award of \$2,889,000 and the \$2,386,000 that was included in the District Attorney's FY 2010-11 Final Adopted Budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The objective of these programs is to maintain an active partnership in anti-fraud efforts. Accordingly, the DA's office submitted grant applications to CDI for FY 2010-11. The WCIF application was submitted on April 30, 2010, DHIF on June 14, 2010 and AIF on June 28, 2010 and November 1, 2010 for the regular grant award and additional funds, respectively. On July 14, 2009, a three-year Urban grant application was submitted covering FY 2009-10 through FY 2011-12, and on November 1, 2010, an application for additional funding was submitted to CDI. On December 1, 2010, CDI notified the DA's Office of the additional funds awarded to AIF and Urban Grant Programs.

Board approval is required to accept grant funds for WCIF, DHIF, AIF and Urban Grant Programs from CDI for FY 2010-11.

The requests for appropriation adjustments are needed in order to align the DA's budget with the full amount awarded to each program.

Implementation of Strategic Plan Goals

Approval of the recommended actions is consistent with Los Angeles County's Strategic Plan Goal No. 1, Operational Effectiveness, to maximize the effectiveness of the County's processes, structure, and operations to support timely delivery of customer-oriented and efficient public services; and Strategic Plan Goal No. 5, Public Safety, to ensure that the committed efforts of the public safety partners continue to maintain and improve the safety and security of the people of Los Angeles County.

FISCAL IMPACT/FINANCING

The CDI administers the grant programs and the distribution of funds for enhanced investigation and prosecution of workers' compensation fraud cases, fraudulent disability and healthcare insurance claims, and organized automobile insurance fraud activity.

The CDI awarded the DA's fraud programs grant funding for FY 2010-11:

- WCIF Program – The total grant funding awarded is \$5,081,000, which represents the base grant award of \$5,000,000 and \$81,000 in approved carryover funding from FY 2009-10. Funding for this program is included in the District Attorney's FY 2010-11 Final Adopted Budget. There is no County match requirement for this program.
- DHIF Program - The total grant funding awarded is \$626,000, which represents the base grant award of \$612,000 and \$14,000 in approved carryover funding from FY 2009-10. The District Attorney's FY 2010-11 Final Adopted Budget includes \$612,000 for the DHIF Program. The \$14,000 appropriation adjustment represents the difference between the grant award and department budget. Approval of the appropriation adjustment will allocate additional funding for Salary and Employee Benefits. There is no County match requirement for this program.
- AIF Program - The total grant funding awarded is \$5,116,000, which represents the base grant award of \$4,306,000 and \$810,000 in approved carryover funding from FY 2009-10. The District Attorney's FY 2010-11 Final Adopted Budget includes \$4,670,000 for the AIF Program. The \$446,000 appropriation adjustment represents the difference between the grant award and department budget. Approval of the appropriation adjustment will allocate additional funding for Salary and Employee Benefits. There is no County match requirement for this program.
- Urban Grant Program - The total grant funding awarded is \$2,889,000, which represents the base grant award of \$2,074,000 and \$815,000 in approved carryover funds from FY 2009-10. The District Attorney's FY 2010-11 Final Adopted Budget includes \$2,386,000 for the Urban Grant Program. The \$503,000 appropriation adjustment represents the difference between the grant award and department budget. Approval of the appropriation adjustment will allocate additional funding for Salary and Employee Benefits. There is no County match requirement for this program.

In light of the State's budget situation, if funding for these programs were to be terminated, an evaluation of each program would be conducted to determine whether the program would either be continued with costs absorbed by the department, or discontinued with the reallocation of staff to vacant budgeted positions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Insurance Code Sections 1872.83(d) (WCIF), 1872.85 (c)(2) (DHIF), 1872.8(b)(1)(D) (AIF), and 1874.8 (Urban Grant), CDI is authorized to award and distribute certain funds to District Attorneys submitting plans approved by the Fraud Division for the increased investigation and prosecution of workers' compensation fraud cases, fraudulent disability and healthcare insurance claims, and organized automobile insurance fraud activity, respectively.

The DA has been awarded funding for the WCIF for the past seventeen years, DHIF for five years, AIF for seventeen years, and Urban Grant for ten years.

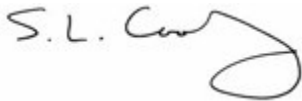
IMPACT ON CURRENT SERVICES (OR PROJECTS)

These programs do not propose attorney staff augmentation. Therefore, the DA is not subject to the Board Motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Departments.

CONCLUSION

Following Board approval, the Executive Officer-Clerk of the Board is requested to return two (2) copies of the adopted Board Letter to Ms. Emily Aidells, District Attorney's Office, 201 N. Figueroa Street, Suite 1300, California, 90012. Any questions may be directed to Ms. Aidells at (213) 202-7674.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "S.L. Cooley", with a large, stylized loop at the end.

STEVE COOLEY
District Attorney

no

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF DISTRICT ATTORNEY

DEPT'S.
NO. 370

January 24, 2011

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2010-11

4 - VOTES

SOURCES

District Attorney
A01 - DA - 88 - 8831 - 14030
State Other - \$963,000
Increase Revenue

USES

District Attorney
A01 - DA - 1000 - 14030
Salaries and Employee Benefits \$963,000
Increase Appropriation

SOURCES TOTAL: \$ 963,000

USES TOTAL: \$ 963,000

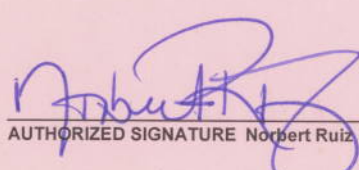
JUSTIFICATION

This Budget Adjustment allocates the unbudgeted revenue from Disability and Healthcare Insurance Fraud (DHIF), Automobile Insurance Fraud (AIF), and Urban Grant Programs. The additional appropriation will provide sufficient funds required to successfully implement the programs.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

30

FEB 8 2011


 AUTHORIZED SIGNATURE Norbert Ruiz

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)


 SACHIN A. HAMAI
 EXECUTIVE OFFICER

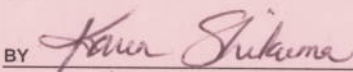
 REFERRED TO THE CHIEF
 EXECUTIVE OFFICER FOR ---

☐ ACTION

☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY


 Jan 25 20 11

B.A. NO.


091

☒ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY


 January 25 20 11

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000

Department: District Attorney

Grant Project Title and Description Workers' Compensation Insurance Fraud Program

The objective of this program is to enhance the identification, investigation and prosecution of organized workers' compensation insurance fraud. These grant funds will allow the District Attorney's Office to continue its collaborative efforts with the State of California, Department of Insurance (CDI) to investigate and prosecute unscrupulous doctors, chiropractors, lawyers and others engaged in workers' compensation insurance fraud in Los Angeles County.

Funding Agency

California Department of Insurance

Program (Fed. Grant # /State Bill or Code #)

California Insurance Code § 1872.83

Grant Acceptance Deadline

Total Amount of Grant Funding: \$5,081,000

County Match: \$0

Grant Period: FY 2010-2011 **Begin Date:** July 1, 2010

End Date: June 30, 2011

Number of Personnel Hired Under This Grant: 27

Full Time: 23 **Part Time:** 4*

*These positions are partially grant-funded by Workers' Compensation Insurance Fraud and Disability & Healthcare Insurance Fraud Programs.

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary ("N") items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires? Yes ☐ No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

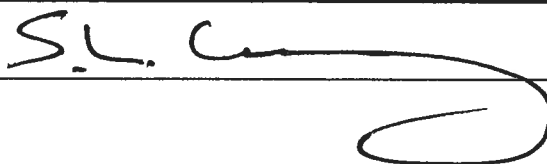
b). Identify other revenue sources Yes ☐ No ☒
(Describe) _____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ☒ No ☐

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature



Date 1/31/11

Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000

Department: District Attorney

Grant Project Title and Description: Disability and Healthcare Insurance Fraud Program

The objective of this program is to enhance the criminal investigation and prosecution of fraudulent disability and healthcare insurance claims in Los Angeles County. These grant funds will allow the District Attorney's Office to successfully implement this program and reduce disability and healthcare insurance fraud through collaborative efforts with the State of California, Department of Insurance (CDI) and local law enforcement agencies.

Funding Agency
California Department of Insurance

Program (Fed. Grant # /State Bill or Code #)
California Insurance Code §1872.85

Grant Acceptance Deadline

Total Amount of Grant Funding: \$626,000

County Match: \$0

Grant Period: FY 2010-2011 **Begin Date:** July 1, 2010

End Date: June 30, 2011

Number of Personnel Hired Under This Grant: 8

Full Time: 5 **Part Time:** 3*

*These positions are partially grant-funded by Workers' Compensation Insurance Fraud and Disability & Healthcare Insurance Fraud Programs.

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary ("N") items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires? Yes ☐ No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

b). Identify other revenue sources Yes ☐ No ☒
(Describe) _____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ☒ No ☐

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature S.L. [Signature] **Date** 7/13/11

Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000

Department: District Attorney

Grant Project Title and Description **Automobile Insurance Fraud Program**

The objective of this program is to enhance prosecutorial efforts and criminal investigations of major auto insurance fraud rings, syndicates, gangs, and organizations in Los Angeles County. These grant funds will allow the District Attorney's Office to continue its collaborative efforts with the State of California, Department of Insurance (CDI) to identify, investigate and prosecute organized automobile insurance fraud rings (staged accidents, cappers, etc.). Perpetrators also include unscrupulous doctors, chiropractors, lawyers and others who profit from fraudulent automobile insurance claims.

Funding Agency
California Department of Insurance

Program (Fed. Grant # /State Bill or Code #)
California Insurance Code § 1872.8

Grant Acceptance Deadline

Total Amount of Grant Funding: \$5,116,000

County Match: \$0

Grant Period: FY 2010-11 **Begin Date:** July 1, 2010

End Date: June 30, 2011

Number of Personnel Hired Under This Grant: 28

Full Time: 24 **Part Time:** 4*

* These positions are partially funded by Urban Grant Program.

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary ("N") items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires? Yes ☐ No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

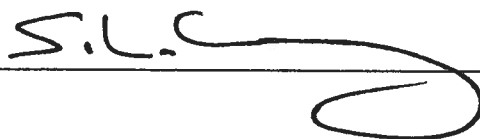
b). Identify other revenue sources Yes ☐ No ☒
(Describe) _____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ☒ No ☐

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature



Date 1/3/11

Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000

Department: District Attorney

Grant Project Title and Description **Auto Fraud "Urban Grant" Program**

The State Organized Automobile Fraud Interdiction Activity "Urban Grant" Program combats organized automobile insurance fraud and economic auto theft activity in California's urban areas. This program is designed to increase the investigation and prosecution of this widespread crime in Los Angeles County. The Los Angeles County District Attorney's Office, with the collaboration of the California Highway Patrol, CDI, and the Los Angeles Police Department has broken up numerous staging gangs that have caused millions of dollars in losses.

Funding Agency
California Department of
Insurance

Program (Fed. Grant # /State Bill or Code #)
Urban Grant (AB1050)

Grant Acceptance Deadline

Total Amount of Grant Funding: \$2,889,000

County Match: \$0

Grant Period: FY2010-2011 **Begin Date:** July 1, 2010

End Date: June 30, 2011

Number of Personnel Hired Under This Grant: 15

Full Time: 14 **Part Time:** 1*

*This position is partially grant-funded by Automobile Insurance Fraud Program.

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary ("N") items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires? Yes ☐ No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

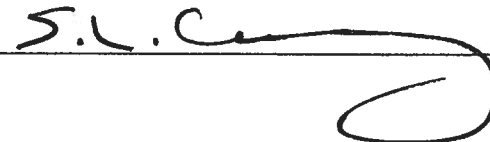
b). Identify other revenue sources Yes ☐ No ☒
(Describe) _____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ☒ No ☐

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature



Date 1/13/11